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## BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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DOCKETED BY

ARIZONA CORP COMMISSION  
DOCKET CONTROLIN THE MATTER OF THE APPLICATION OF  
GRANITE MOUNTAIN WATER COMPANY,  
INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02467A-14-0230

SECOND STIPULATION TO EXTENSION  
OF TIME

On June 30, 2014, Granite Mountain Water Company, Inc. ("Granite Mountain" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase. The application noted that the Company's affiliate Chino Meadows II Water Company ("Chino Meadows II") also filed a rate application in a separate docket (Docket No. W-2370A-14-0231) on the same day. Granite Mountain requested that its application be processed and heard concurrently with Chino Meadows II's application in order to assure that cost allocations will be consistent in the two cases, and stated that to the extent necessary to accommodate the joint processing of the two applications, it waives the time clock requirements set by the Commission's rules.

On September 19, 2014, Staff filed a Letter of Sufficiency indicating that Granite Mountain's application met the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103 and classifying Granite Mountain as a Class D Utility.

On September 23, 2014, a Procedural Order was issued suspending the time clock in this matter as agreed to by the Company in order to accommodate the joint processing of this application with the Chino Meadows II rate application, and setting a procedural conference for October 2, 2014, for the purpose of discussing the preparation for and conduct of the concurrent proceedings.

On October 2, 2014, a procedural conference was convened as scheduled. Granite Mountain, Chino Meadows II, and Staff appeared through counsel and discussed procedural issues. The parties

1 agreed that holding consecutive hearings for the two matters would be appropriate. The parties agreed  
2 to extended timeframes for discovery in both matters, due to issues associated with both the Granite  
3 Mountain and Chino Meadows II applications. Staff stated that it could file its direct testimony  
4 during the first week of March. Granite Mountain stated that it could then file its rebuttal testimony  
5 during the first week of April.

6 On October 7, 2014, the Hearing Division issued its procedural order, determining that a  
7 hearing schedule should be established that accommodates the parties' requests for extended  
8 discovery timeframes, and set the following procedural schedule:

Hearing dates	May 5, 2015 & May 6, 2015
Pre-Hearing Conference	April 30, 2015
Intervenors' & Staff Report/Direct Testimony	March 4, 2015
Rebuttal Testimony	April 1, 2015
Surrebuttal Testimony Staff And Intervenors	April 22, 2015
Rejoinder Testimony	April 28, 2015
Issues matrix & Objections to Pre-Filed Testimony	April 30, 2015

14 On February 11, 2015, Staff and both Granite Mountain and Chino Meadows submitted a  
15 Stipulation To Extension For Time based on the ongoing need for additional information to enable  
16 Staff to prepare its Direct Testimony herein. Staff noted the complexity of the requirement of  
17 Decision No. 72896 to assess the appropriate allocation of costs between the two Companies and that  
18 the post test year plant which the Companies wish to include in rate base was not yet complete.

19 On February 18, 2015, the Hearing Division issued its procedural order granting the time  
20 extension requested by the parties in its Stipulation and setting the following schedule for Granite  
21 Mountain:

Hearing dates	July 14, 2015
Pre-Hearing Conference	July 8, 2015
Intervenors' & Staff Report/Direct Testimony	May 11, 2015
Rebuttal Testimony	June 8, 2015
Surrebuttal Testimony Staff And Intervenors	June 29, 2015
Rejoinder Testimony	July 6, 2015
Issues matrix & Objections to Pre-Filed Testimony	July 6, 2015

Both Granite Mountain and Chino Meadows II are owned by the same entity/persons. In previous rate cases, the proper allocation of costs and expenses between the two Companies has been an issue, so much so that the Companies were ordered in Decision No.72896 to file their next rate cases using the same test years. Also in that Decision, the necessary construction of a well and storage facility was considered and ordered. Construction has taken longer than originally anticipated and is not completed.

The schedule set by the February 18, 2015, Procedural Order was based, in significant part, on the fact that construction of a well, a storage tank and related projects was progressing, but not sufficiently complete to have been placed in service or determined to be used and useful and that, after discussion, the Companies had assured Staff that the projects other than the storage tank would have been completed and all invoices and other documentation provided to Staff no later than April 1, 2015. That did not occur.

Staff now must prepare testimony that does not include post test year plant (unless the Companies are able to submit the necessary information in a timely fashion) and continues to evaluate the allocations as directed. In order to accomplish this, and given its other time commitments during this period, Staff requires an additional six weeks to prepare its Direct Testimony. This would also allow the Companies the opportunity to complete construction of its pending projects and submit documentation thereof to Staff, though, given the time delays, Staff may still recommend that such post test year plant not be included in rate base.

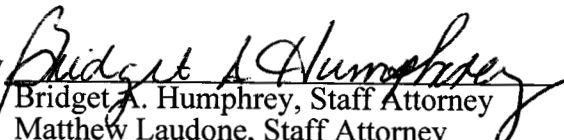
Based on the foregoing, Staff and the Companies have agreed that it would be in the interest of judicial economy to extend the dates for filing testimony and all other related calendar events, other than the deadline for interventions, which has already passed, for six weeks. Clearly, the exact dates will depend upon the availability of the Hearing Division and a hearing room, but the proposed changes would be as follows:

Hearing date	August 18, 2015
Pre-Hearing Conference	August 11, 2015
Intervenors' & Staff Report/Direct Testimony	June 22, 2015
Rebuttal Testimony	July 13, 2015
Surrebuttal Testimony Staff And Intervenors	August 3, 2015



Rejoinder Testimony	August 10, 2015
Issues matrix & Objections to Pre-Filed Testimony	August 11, 2015

To the extent that the final schedule to be set herein requires an extension of the time clock, the Parties also stipulate to the same.

RESPECTFULLY SUBMITTED this 8<sup>th</sup> day of May, 2015.

By   
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and

By   with permission  
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Original and thirteen (13) copies of the foregoing filed this 8<sup>th</sup> day of May, 2015, with:

Docket Control  
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Copy of the foregoing mailed and/or emailed this 8<sup>th</sup> day of May, 2015, to:

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